

May 31, 2018



The Honorable Phil Ting, Chair
The Honorable Holly Mitchell, Co-Chair
Members of the Budget Conference Committee
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Sacramento, CA 95814

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Re: Expenditures of Cap and Trade Auction Revenues

Dear Honorable Conferees:

The California State Association of Counties (CSAC) writes to express our perspective on the allocation of cap and trade auction revenues for FY 2018-19. With the passage of AB 398 (Chapter 135, 2017) and the extension of our cap and trade program through 2030, California fortified our climate laws, creating additional stability for revenues and included new funding priorities for the future. Local governments have been demonstrating climate leadership and our ability to tackle this challenge at the local level.

CSAC supports the Administration's changes in the May Revise Budget to provide Greenhouse Gas Reduction Fund (GGRF) investments of an additional \$26.8 million to CAL FIRE to fund 6 year-round prescribed burn teams to tackle more fuel reduction projects state wide and an additional \$20 million to the Natural Resources Agency to provide block grants that support the implementation of regional landscape-level forest restoration projects that leverage non-state funds. Our organization also offers the following suggestions on the 2018-19 allocation plan.

Investment in Transformative Climate Communities (TCC)

The Governor's January cap and trade spending plan and the Assembly plan propose to allocate \$25 million to the TCC program. CSAC believes that this amount is woefully inadequate to address the needs at the local level and the number of projects and communities worthy of TCC funding. The TCC program is a critical tool that can significantly contribute to GHG reduction through investments in creative, effective, multi-sector neighborhood- level programs. CSAC supports the Senate's proposed allocation of \$80 million for this critical program.

Short-Lived Climate Pollutants and Waste Management

The Governor's proposal and the Senate's plan both propose to allocate \$20 million in funding for waste and organics diversion projects. The Assembly's proposal includes additional funding to this program, totaling \$40 million. CSAC strongly supports an increased allocation of \$100 million to assist with the reduction of short-lived climate pollutants. Investments in waste diversion projects are critical for cities and counties across the state working to reach their waste diversion and GHG emission goals. SB 1383 (Lara, 2016) requires the state to achieve a 75 percent reduction in the amount of organic waste disposed of in landfills by 2025, which will require the construction of 50 to 100 new and expanded organic waste recycling facilities, at a cost of \$2-3 billion. We believe that CalRecycle's waste diversion program is one of the most cost-effective of all cap and trade funding investments and warrants increased resources.

Forest Health, Wildfire and Tree Mortality

CSAC supports the coalition efforts of local and statewide fire chiefs and other local government advocates in requesting GGRF funds to help with repositioning of firefighting equipment and the improvement of emergency communications equipment. Pre-positioning provides the best means of attacking fires with enough equipment and staffing in the initial

minutes and hours necessary to prevent catastrophe and huge releases of GHGs. In addition, improvements to emergency communications technology are critical in helping save lives.

As the Legislature deliberates on its fiscal and policy framework for climate change, we hope to partner with you to recognize and highlight the critical role local governments can play in reducing our GHG emissions and creating a sustainable future for the residents of California. Should you have any questions regarding our position, please contact Cara Martinson at 916-327-7500, ext. 504, or cmartinson@counties.org.

Sincerely,



Cara B. Martinson
Senior Legislative Representative

Cc: Consultant, Budget Conference Committee
Catalina Hayes-Bautista, Deputy Legislative Secretary, Office of Governor Brown